



Professional Fund-Raising Counsel Agreement

This Professional Fund-Raising Counsel Agreement is entered into this 20th day of February, 2002, by and between HSP Direct, LLC ("HSP Direct"), 208 Elden Street, Suite 205, Herndon, Virginia 20170 ("HSP Direct"), and Citizens United ("Client"), 109 Carpenter Drive, Suite 210, Sterling, Virginia 20164.

I. Appointment & Authorization.

Subject to the terms and conditions set forth below, HSP Direct is hereby retained and appointed as Client's non-exclusive fund-raising counsel for its direct mail fund-raising program and list rentals.

II. Client's Charitable Purposes.

Client has entered into this agreement to further its charitable purposes and programs, which include public information and education on governmental issues, and lobbying Congress on various action items.

III. Services.

HSP Direct will provide the following services to the Client:

- a. **Direct Mail Packages:** Counsel and advise the Client on issues and copy that Client desires to use in its direct mail fund-raising program. At the direction of Client, HSP Direct will prepare draft copy for the Client's review and approval.
- b. **Scheduling:** Counsel and advise the Client on the timing of mailings and lists available for usage.
- c. **Vendors:** Counsel and advise the Client in negotiating, arranging and entering into agreements with third party vendors for any materials and services to be used in the direct mail fund raising program.
- d. **List Promotion:** At the direction of the Client, HSP Direct, or its designated agent, will promote the rental of Client owned mailing lists.

IV. Compensation.

- a. Creative/Coordination Fee: HSP Direct shall receive compensation in the amount of seventy-five dollars (\$75) per one thousand (1,000) fund-raising packages processed by the mailing house for mailing under the terms of this agreement.
- b. CPI Adjustment: HSP Direct's compensation rate as set forth in paragraph IV.a. of this agreement shall be subject to an adjustment at the beginning of each calendar year in an amount equal to the percentage change in the United States nationwide Consumer Price Index prepared by the United States Bureau of Labor Statistics, but in no event shall the compensation rate be less than the amount set forth in paragraph IV.a.
- c. List Rental Commissions: HSP Direct, or its designated agent, shall receive a commission of 20% of the standard list rental charge for list rentals and/or exchanges made directly to the list user. HSP Direct, or its designated agent, shall receive a 40% commission of the standard list rental charge for list rentals and/or exchanges placed through other brokers or agencies. Where a list rental or exchange is placed through another broker or agency, HSP Direct will pay the commission due the other broker or agency from the commission paid to HSP Direct.

V. Billing and Payment.

- a. Billings. HSP Direct shall render billings to Client from time to time on its standard forms. Client shall pay said billings no later than the due date stated therein.
- b. List Rental Application. If, during the term of this Agreement, any billings due HSP Direct are sixty (60) days or more past due, HSP Direct shall have the following rights with regard to list rentals and list rental income:
 - i. HSP Direct shall have the unrestricted right to apply list rental income otherwise due Client to payment of billings that are sixty (60) days or more past due as of the date of receipt of the list rental income; and
 - ii. HSP Direct shall have the unrestricted right to rent any Client list(s) created under this Agreement and apply the list rental income otherwise due Client from said list rentals to the payment of any HSP Direct billings that are sixty (60) sixty days or more past due as of the date of receipt of the list rental income.
- c. Advances. From time to time, HSP Direct or third parties that HSP Direct designates may advance money for postage and other direct mail services or

materials. It is agreed that any money so advanced shall be reimbursed from the funds raised under this Agreement before any funds are disbursed for other purposes.

VI. Confidentiality and Registrations.

- a. Except as otherwise required by law, this Agreement and all financial information relating to the Agreement and direct mail packages created under the Agreement shall be held in confidence by HSP Direct.
- b. Except as otherwise required by law, Client shall hold in confidence all financial matters in connection with this Agreement, including, but not limited to, the compensation of HSP Direct.
- c. HSP Direct and Client acknowledge that various jurisdictions require the registration or licensing of certain organizations that solicit contributions and/or the registration or licensing of the businesses that assist certain organizations with fund-raising. It is therefore understood and agreed that it is the responsibility of the Client to register and/or obtain a license in those jurisdictions where Client is required by law to either register or obtain a license. It is further understood and agreed that it is the responsibility of HSP Direct to register and/or obtain a license in those jurisdictions where HSP Direct does business and is required by law to either register or obtain a license. HSP Direct and Client each agree to act in good faith in providing the other with information and documentation necessary to facilitate the registration and/or licensing process.

VII. Custody and Control of Contributions and Other Funds.

Under no circumstances will HSP Direct have custody, possession or control of any contributions or Client funds generated under this Agreement. All contributions and/or other funds generated under this Agreement shall be received by and held under the exclusive custody and control of Client or its designated agent. If Client uses a designated agent for the receipt of contributions or other funds, HSP Direct shall not serve as said agent, nor shall any of HSP Direct's principals or affiliates serve in such capacity.

VIII. Duration and Termination.

- a. **Effective Date:** Except as prohibited by law, services under this Agreement shall commence on the date of the Agreement. Where immediate performance is not permitted, services will commence on the earliest date allowed subsequent to the date of the Agreement.

- b. Termination Date: Unless otherwise terminated as provided below, this Agreement and all services to be performed by HSP Direct shall terminate on December 31, 2020.
- c. Alternative Termination: Either party may terminate this Agreement by giving the other party written notice of termination at least ninety (90) days prior to the effective date of termination. Once HSP Direct gives or receives notice of termination it shall not commence any new work for Client, excepting "debt-reduction" mailings approved by the client. Additionally, HSP Direct shall complete any work in progress and place all list rentals previously approved by the Client. All other rights and duties of the parties shall continue until the date of termination. If Client or HSP Direct desires to terminate any work that was commenced prior to the receipt of the notice of termination, the parties may mutually agree in writing to do so and HSP Direct's compensation for any such work shall be as mutually agreed by the parties.
- d. Debt Reduction: Upon notice of termination, all Client bills owed to HSP Direct and other vendors used under this Agreement shall be paid from the proceeds of a series of debt-reduction mailings approved and authorized by the Client. Following termination and debt-reduction mailings, if any bills remain outstanding, said bills will be paid for through list royalty income, as established below in section IX (a)(i).
- e. Billings Upon Termination: Upon termination of this Agreement, HSP Direct shall submit billings for all amounts due that have not previously been billed by HSP Direct. With the exception of Client-approved and authorized debt-reduction mailings, HSP Direct shall not be entitled to payment for any new work commenced after the date it gave or received written notice of termination of the Agreement. However, HSP Direct shall be entitled to payment for any work approved and commenced prior to the date that it gave or received written notice of termination.

IX. Disposition of Lists, Property and Materials.

- a. List Ownership:
 - i. Any list(s) created under this Agreement shall be the property of Client. However, HSP Direct shall hold a security interest in any list(s) created under this Agreement, which shall remain in effect during the term of this Agreement and thereafter until full and complete payment is made of all HSP Direct bills and the bills of third party direct mail vendors used under this Agreement.
 - ii. It is agreed further that the list company employed by Client for database management and related services under this Agreement shall own a copy

of any list(s) that are created under this Agreement and managed by the list company. Said ownership of a copy of the list(s) shall be in partial compensation for services rendered by the list company. The list company's ownership of the list(s) shall vest upon termination of this Agreement.

- iii. The list to be owned by the list company upon vesting shall be determined by taking all Client lists managed by the list company -- following termination and all debt payment as established in VIII (d) -- and deleting all names belonging to pre-existing lists provided by the Client to the mailing program.
- b. List Security: Any list(s) created under this Agreement shall be held in a secure manner by HSP Direct during the term of this Agreement and for any period thereafter that HSP Direct holds a security interest in the list(s). Upon payment of all outstanding bills due HSP Direct and any direct mail vendors used under this Agreement, but not prior thereto, HSP Direct shall release the list(s) created under this Agreement to Client or Client's designated agent.
- c. List Usage: Except as provided in paragraph V.b. of this Agreement, any rentals, exchanges or other uses of any list(s) created under this Agreement shall be to the benefit of the Client during the term of this Agreement. However, during the term of this Agreement and for so long thereafter that HSP Direct holds a security interest in any such list(s), the Client shall not rent, exchange, donate, sell or otherwise provide any list(s) created under this Agreement to any third party for any reason during the term of this Agreement without the prior written approval of HSP Direct.
- d. Property and Materials: Upon termination of this Agreement, any direct mail copy or materials created or provided by HSP Direct shall be the sole and exclusive property of HSP Direct. The Client shall have no right to use said copy or materials.

X. Conversion of List Exchange to Rental.

- a. List Owner's Option: Whenever the Client receives names and addresses to mail on an exchange basis, the entity that owns the list used by the Client, or its agent, has the right to convert the exchange to a list rental at fifty percent (50%) of the list rental price at the time of the exchange.
- b. HSP Direct's Option: If, on the date notice of termination is given, sums are due and owing HSP Direct, or any third party direct mail vendors used under this Agreement, HSP Direct or its agent shall have the unrestricted right to convert any names owed to the Client on an exchange basis to list rental at fifty percent (50%) of the list rental price at the time of the exchange. Sums generated from

such conversions, less commissions, shall be applied to the bills of HSP Direct and the direct mail vendors.

XI. Other Terms and Conditions.

- a. **Extent of Professional Services:** At no time will HSP Direct, its employees or agents solicit contributions on behalf of the Client. With respect to the solicitation of contributions, the services of HSP Direct will be limited to consultations, advise, and drafting of direct mail copy.
- b. **Client's Duties:** Client will have exclusive control over and approve the target audience of each mailing or other communication, including the selection of any mailing lists, jurisdictions into which any mailings are sent. Client shall also have exclusive control over the content of and volume of each direct mail package or other communication made under this Agreement. Prior to production, Client will review and approve all direct mail copy, artwork and other materials created under this Agreement.
- c. **Work in Progress:** Once mailing lists have been scheduled and/or purchase orders issued for a mailing that has been approved by the Client, the Client may not cancel or suspend such mailing(s) except by mutual consent of the parties.
- d. **Controlling Law, Place of Performance & Forum Selection:** This agreement is entered into in the Commonwealth of Virginia and shall be governed, construed and performed in accordance with the laws of the Commonwealth of Virginia. It is the expectation of the parties hereto that all services performed by HSP Direct under this agreement shall be performed exclusively within the Commonwealth of Virginia.

The parties hereto agree that any and all legal proceedings concerning this Agreement, including, but not limited to, its interpretation, construction and performance shall be before a court of competent jurisdiction in Fairfax County, Virginia, and that such court shall have jurisdiction and venue over each party hereto.

- e. **Waiver:** The failure of any party to this Agreement to object or take affirmative action with respect to any conduct by any other party that is in violation of the terms of this Agreement shall not be construed as a waiver thereof, or of any future breach or subsequent wrongful conduct.
- f. **Modification:** This writing contains the entire Agreement between the parties. No representations were made or relied upon by either party, other than those that are expressly set forth. No agent, employee or other representative of either party is empowered to alter any of the terms hereof, unless done in writing and signed by an executive officer of each party.

- g. Claims: The Client specifically agrees to hold HSP Direct, its agents, their officers, directors and employees harmless from any and all claims of third parties of any nature whatsoever arising out of materials, including, but not limited to, copy or direct mail fund-raising projects, letters and or/packages reviewed and approved by the Client. In the event any payment due HSP Direct and/or direct mail fund-raising vendors is not made in accordance with the terms of this Agreement and the obligation(s) is referred to an attorney for collection, the Client agrees to pay all costs of collection, including a reasonable attorney's fee of twenty percent of the sum due.
- h. Certification: The Client does hereby certify to HSP Direct that there is no agreement(s) with other fund-raising counsel or with a direct mail fund-raiser or list broker currently in existence as of the effective date of this Agreement that conflicts with the terms hereof. The Client further agrees not to enter into any subsequent agreement(s) that conflicts with the terms of this Agreement.
- i. Notices: All notices pertaining to the Agreement shall be in writing and shall be transmitted either by personal hand delivery, through the facilities of the United States Postal Services or by facsimile transmission. The addresses set forth above for the respective parties shall be the places where notices shall be sent, unless written notice of a change of address is given.
- j. Execution: This Agreement may be signed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document. Facsimile documents and signatures shall be deemed original documents and signatures.

The undersigned, by their signatures, do personally warrant, affirm and represent that they are authorized to execute and bind the parties hereto.

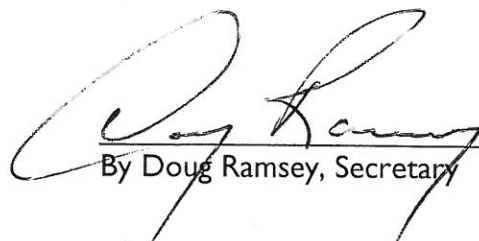
HSP DIRECT, LLC


By Matthew Schenk, President, 2/12/2002
Date


By Jamie Hogan, CEO, 2-12-02
Date

CITIZENS UNITED

 2/20/02
By David Bossie, President Date

 Feb. 13, 2002
By Doug Ramsey, Secretary Date